

**Statement of
Admiral Robert J. Papp, Jr.
Special Representative for the Arctic
U.S. Department of State**

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Subcommittees on Europe, Eurasia, and Emerging Threats,
and Western Hemisphere
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Introduction

Good afternoon Chairman Rohrabacher, Chairman Duncan, Ranking Member Keating, Ranking Member Sires, and other Members of the Europe, Eurasia, and Emerging Threats, and Western Hemisphere Subcommittees. I appreciate the opportunity to appear before you today to discuss how the Department of State is working to advance our security and economic interests in the Arctic.

Recognizing the importance of the Arctic, and in line with the President's commitment to elevate Arctic issues in our Nation's foreign policy, particularly as the United States chairs the Arctic Council through spring of 2017, Secretary Kerry appointed me as the Special Representative for the Arctic. My broad charge is to lead our Nation's efforts to promote our priorities and advance U.S. policy in the Arctic, a region in which we have vital national interests.

The Arctic and National Security

It is important to note from the outset that the United States and the other Arctic States are pursuing our mutual interests in a safe, stable, and prosperous Arctic region during a difficult time in our relationship with Russia. Russia's attempted annexation of Crimea, its aggression in Ukraine, and its efforts to intimidate its neighbors are an affront to the rules-based international system and put at risk the peace that we and our allies have worked so hard to achieve in Europe.

The international community's disagreements with Russia caused by Moscow's actions have complicated our efforts in the Arctic. Fortunately,

we have worked with Russia on Arctic issues during past political crises and are maintaining activities related to protecting the Arctic environment, ensuring maritime safety, including search and rescue, and law enforcement. We also continue to work with Russia in multilateral fora, including under the auspices of the Arctic Council, and our allies are following similar policies.

We cannot and will not ignore Russian aggression, even as our Arctic cooperation continues. The U.S. is in lockstep with the E.U. and Norway on sanctions that target, among other things, Russian's ability to develop resources in its Arctic waters.

At the same time, we continue to work with Russia and all our Arctic partners on global issues such as those in the Arctic where we share common interests. As we do so, we remain cognizant of how significant changes in the Arctic are creating new challenges and opportunities for the United States and the other Arctic nations. A rapidly warming Arctic climate presents new shipping routes, increased opportunities for trade and oil and gas exploration, and additional tourism. But it also threatens traditional ways of life and increases the risk of environmental pollution. Arctic communities face food and energy insecurity, health concerns, and increased rates of suicide. The challenge of charting a course toward a sustainable future in the Arctic is not lost on me. The federal interagency community is committed to working within our capacities to improve the future of this region.

International Governance

United States engagement with international partners in this region is extremely important, as governance of the Arctic region falls to the United States and the seven other Arctic States: Canada, Iceland, Denmark (through Greenland), Finland, Russia, Norway, and Sweden. International cooperation takes place in multiple fora, such as the Arctic Council, International Maritime Organization, and the new Arctic Coast Guard Forum. Each of these serves a purpose to advance specific priorities and affords the opportunity to engage with appropriate delegations. By and large, our international Arctic engagement takes place through the Arctic Council, the preeminent forum for international diplomacy on Arctic matters.

The Arctic Council

The Arctic Council, a high-level intergovernmental forum of the eight Arctic States and the Arctic indigenous peoples, was created in 1996 to provide a means for promoting international cooperation, coordination and interaction on common Arctic issues. Its founding document focuses the Council's work on environmental protection and sustainable development, but its mandate is not limited to these areas. The one area explicitly excluded from the Council's mandate is "military security"¹; thus, the Council does not handle military issues or military-to-military cooperation among the Arctic States.

As the challenges and opportunities facing the Arctic have grown in volume and complexity, the Council's workload has increased dramatically in recent years. The Council has six permanent working groups covering a broad range of issues such as human health, climate change impacts, biological diversity, emergency response, and protection of the Arctic marine environment. The Council also periodically mandates task forces and expert groups for limited periods to address specific, cross-cutting issues. Each Arctic State appoints a Senior Arctic Official to run the Council's day-to-day operations. Six Permanent Participant organizations represent the interests of the region's indigenous peoples in the Council. The Council meets at the Ministerial level once every two years at the conclusion of each chairmanship, and most Arctic States send their foreign minister. Each Arctic State assumes the chairmanship of the Council for a two-year period during which the chairing State hosts numerous meetings and other diplomatic events, and assumes all associated costs.

The United States has led or co-led many of the Council's important initiatives including the 2004 Arctic Climate Impact Assessment, the 2008 Arctic Oil and Gas Assessment, and the 2009 Arctic Marine Shipping Assessment. In addition, work under the auspices of the Arctic Council has resulted in two binding agreements among the Arctic States: one on search and rescue cooperation, signed in 2011, and the other on marine oil pollution preparedness and response, signed in 2013. Over the past 19 years, the

¹ Declaration on the Establishment of the Arctic Council: Joint Communiqué of the Governments of the Arctic Countries on the Establishment of the Arctic Council. Ottawa, Canada. September 19, 1996.

Council's cutting-edge work has paved the way for international cooperation to address shared environmental challenges. No other body in the world is doing work of such high caliber on the issues we face in the Arctic, which is why the Council is so important to the United States. Our collaboration with the other seven Arctic States has worked well over the life of the Council, and we could not have done this work without them.

U.S. Chairmanship

The United States assumed Chairmanship of the Arctic Council in April 2015. Our Chairmanship theme, "One Arctic: Shared Opportunities, Challenges, and Responsibilities," echoes the belief that all eight Arctic States must work together to address the challenges of a changing Arctic, to embrace the opportunities it presents and to face the responsibilities we all have as stewards of this great region. In recognition of the urgency of the issues facing the region, we convened the first Senior Arctic Official Executive Meeting under the U.S. Chairmanship in June, the first time such a meeting has been held so soon after an Arctic Council Ministerial meeting. This gathering enabled the Council's working groups, task forces and expert group to expeditiously launch their ambitious work plans for the next two years, tackling themes we have chosen to highlight during the U.S. Chairmanship:

- Arctic Ocean Safety, Security, and Stewardship
- Improving Economic and Living Conditions
- Addressing the Impacts of Climate Change

Climate change impacts in the Arctic have resulted in significant reductions in sea ice, making the Arctic Ocean increasingly accessible. We have also seen an increase in shipping through the Bering Strait, a potential future funnel for trans-Arctic shipping traffic. In addition, the ice-diminished maritime environment is attracting resource exploration in areas previously inaccessible. Advancing safety in the Arctic Ocean requires improved maritime domain awareness, for which navigational services such as weather and sea ice forecasting and nautical charting are critically important.

We are prioritizing emergency response by convening exercises under the auspices of the *Agreement on Cooperation on Aeronautical and Maritime Search and Rescue in the Arctic* and the *Agreement on Cooperation on Marine Oil Pollution Preparedness and Response in the Arctic* to examine

the coordination of emergency response capabilities of the Arctic States, in conjunction with local communities. We are fostering new partnerships with government institutions, the private sector and indigenous communities for emergency response and environmentally responsible maritime activity in the region. The Arctic Council also continues to develop a network of existing marine protected areas to leverage international best practices for sensible maritime activities that avoid areas of ecological and cultural significance where possible. In addition, a Task Force on Arctic Marine Cooperation is assessing future needs for deepened coordination among the Arctic States in the Arctic Ocean.

The cold temperatures of the Arctic Ocean make it particularly vulnerable to ocean acidification. If current emissions trends continue, scientists predict that, by the end of the century, the Arctic waters will become corrosive to all shell-building organisms, thereby threatening an important component of the marine ecosystem as these organisms are a critical food source. The Arctic Council is working to expand the Arctic reach of the Global Ocean Acidification Observing Network, increase the number of stakeholders trained to conduct ocean acidification monitoring, and raise public awareness of this threat to the entire Arctic food web and the people whose livelihoods depend on these creatures.

We remain cognizant of how changes in the Arctic have created significant challenges and opportunities for every Arctic nation, especially for our own American citizens in Alaska. The warming climate threatens the traditional ways of life of Arctic residents and risks disrupting ecosystem balance. During the U.S. Chairmanship, we are striving to bring tangible benefits to communities across the Arctic.

Preventing suicide, especially among youth, is one of the most pressing public health imperatives in the Arctic today. Assessing progress on suicide prevention is a challenging task anywhere - but especially in the Arctic, where communities are small and often geographically distant from health care providers and other resources. The Arctic Council's continued work on suicide intervention aims to aid health workers to better serve the needs of their communities, while helping policymakers to measure progress, identify challenges and scale up interventions.

There are major disparities in water and sewer access in Arctic communities. Access rates in parts of Alaska are similar to those found in the contiguous

48 states in the 1950s. The Arctic Council is supporting innovative efforts to devise decentralized, Arctic-friendly solutions to address the lack of access to water and sanitation, a major driver of infectious diseases, especially those related to hygiene, and which are also a drag on economic development. The Arctic Council is also promoting enhanced circumpolar health cooperation through the concept of One Health, which argues that human health is unavoidably linked to the health of animals and ecosystems.

Access to reliable, affordable energy is a barrier to economic development for many communities in the Arctic. That is why we have made energy diversification and clean energy access one of the priorities of our Arctic Council Chairmanship. To this end, we are prioritizing local capacity building to create a set of clean energy champions within Arctic communities and sharing policy and technical best practices. Through cooperation with the State of Alaska and all of our Arctic neighbors, the Arctic Council has the opportunity to accelerate the great work already being done by dedicated practitioners in the region.

Under the U.S. Chairmanship, the Arctic Council has initiated a circumpolar telecommunications assessment of the infrastructure necessary to support ever-increasing human activity throughout the Arctic region. Building telecommunications infrastructure across the Arctic is critical for addressing the growing communication needs of Arctic communities as well as supporting growing navigation demands, economic development activities, search-and-rescue operations, and environmental and humanitarian emergencies.

The Arctic is experiencing rapid changes that are threatening the well-being of four million inhabitants who live north of the Arctic Circle. According to a recent report from the U.S. Geological Survey, Alaska's remote northern coast has some of the largest rates of shoreline erosion in the world. Melting sea ice and thawing permafrost has contributed to increased erosion and flooding along the Alaskan coastline. As a result, shorelines are retreating at rates averaging tens of feet per year, threatening Alaska Native coastal villages. Some Alaskans who live in areas sensitive to permafrost degradation face the difficult and costly need to relocate. Alaska Natives have depended on a subsistence-based economy for generations, which is a traditional way of life centered on hunting, fishing and gathering of plants. However, as sea ice is melting, habitat for polar bears, walrus, moose, caribou and seals is being reduced, dramatically decreasing the availability

of subsistence resources. The Arctic is therefore subject to major and rapid changes that could interact in ways that have profound implications on the well-being of both Arctic and non-Arctic communities and ecosystems.

The United States, through many departments and agencies, is using our Arctic Council Chairmanship to enhance climate resilience throughout the region. The Arctic Council is contributing to detailed examinations of Arctic ecosystems, and expanding the Local Environmental Observer Network to encourage citizens to get involved in monitoring their own surroundings. The Arctic Council is also developing a circumpolar plan to prevent, detect, and manage invasive species, as growth in shipping and development activities in the region increases the risk of introduction. There is an immediate opportunity—already largely lost in many other regions of the world—to proactively build resilience to the risks posed by invasive species. The development of an enhanced digital elevation model of the Arctic, will provide better baseline mapping information, both for scientific endeavors and to national security needs as Arctic activities continue to increase. The greater our scientific understanding of current and forthcoming challenges – the better we are able to forecast the impacts of climate change in the region before they hit – the better suited we will be to adapt to new realities.

The Arctic Council is moving to fully implement the Framework for Action on Enhanced Black Carbon and Methane Emissions, which includes the development of national black carbon and methane emission inventories, national reporting on domestic mitigation efforts, and greater international cooperation on reducing these dangerous pollutants. We have also invited Observer States in the Arctic Council to join us in this effort because these pollutants are global in origin. Our cooperation is particularly timely in the run-up to the Conference of the Parties to the United Nations Framework Convention on Climate Change in December, when the United States will join nations around the world to push for joint action on climate change.

GLACIER

The conference on Global Leadership in the Arctic: Cooperation, Innovation, Engagement and Resilience, otherwise known as GLACIER, took place in late August of 2015 in Anchorage, Alaska. Although not a formal component of the Arctic Council, GLACIER served as a centerpiece of the mission of the U.S. Chairmanship to broaden awareness domestically

and abroad. GLACIER featured remarks by President Obama and other senior U.S. officials, and panel discussions that brought together influential policy makers, community leaders, and subject matter experts from Alaska, the Arctic region, and around the world. Twenty-one countries participated in GLACIER, including seven foreign ministers, and there were press reports that mentioned GLACIER in at least 25 countries. The White House and the Department of State are now focused on continuing to build on the momentum created by GLACIER, fulfilling the obligations set forth in Presidential commitments, and strengthening the relationship with Alaskans in our American Arctic.

Arctic Fisheries

I am pleased to report that we are making significant progress toward a long-standing U.S. objective of preventing unregulated fishing from starting in the high-seas portion of the central Arctic Ocean. As described below, the United States will convene a new set of international negotiations toward an agreement on this subject before the end of the year.

Although currently there are no commercial fisheries of consequence in the high-seas area of the Arctic Ocean, it is reasonable to expect that, with diminishing sea ice and the possible migration of species, commercial fisheries are possible in the foreseeable future.

Scientific information about the Arctic's marine biodiversity is limited, and even less is understood about the extent to which climate change and increasing industrial and other human activities in the Arctic may threaten marine ecosystems and resources, including fisheries. In light of this, in 2009 the United States took the precautionary step of prohibiting commercial fishing in its own exclusive economic zone (EEZ) north of the Bering Strait until there is a better scientific foundation for a sound fisheries management regime. Other Arctic countries have taken similar steps, most recently Canada.

In our view, this same approach should apply in the high seas area of the central Arctic Ocean, an area beyond the EEZs of the United States, Canada, Norway, Russia and Denmark/Greenland. In that high seas area, with the exception of the small wedge that is within the area covered by the North East Atlantic Fisheries Commission, there is no governance regime in place by any fisheries management organization or arrangement. Thus, we have

been working for a number of years with other governments towards an understanding that commercial fishing should occur there only on the basis of adequate scientific information on which to base proper fisheries management and after an international fisheries management regime is in place.

In July 2015, the United States and the other four nations whose EEZs surround this high seas area signed the Declaration Concerning the Prevention of Unregulated High Seas Fishing in the Central Arctic Ocean. In the Declaration, which is non-binding, the five nations committed not to authorize their own vessels to engage in fishing in this high-seas area until there is an effective international mechanism in place to manage such fishing in accordance with modern standards. They also committed to establish a joint program of scientific research aimed at improving our understanding of the ecosystems of this area.

The Declaration also acknowledges the interest of other States' in this topic and looks forward to working with them in a broader process to develop measures consistent with the Declaration that would include commitments from all interested States.

With that in mind, the United States has invited representatives from the original five States and China, Japan, South Korea, Iceland and the European Union, to a new set of negotiations with the goal of transforming the non-binding declaration into a binding agreement. The State of Alaska, the Alaska Native Community, the Alaska-based fishing industry and the environmental community all support this objective. We expect the new set of negotiations to start in Washington, D.C., in early December.

Arctic Ocean – ECS and Maritime Boundaries

Efforts by the United States and other Arctic States to define their continental shelf in the Arctic Ocean are sometimes described as a “race for resources” or “competing territorial claims.” Such hyperbole is inaccurate and unhelpful.

There are two underlying issues here: delineating the continental shelf beyond 200 nautical miles - commonly called the extended continental shelf or ECS; and delimiting the maritime boundaries where ECS may overlap one or more neighboring States. In other words, first, what is the extent, or

outer limit, of a country's ECS and, second, how do neighboring countries divide that ECS when it overlaps.

Contrary to many media reports, there is no race for resources or land grab underway in the Arctic. The Arctic coastal States are proceeding in an orderly manner to define their continental shelf limits according to the provisions set out in the Law of the Sea Convention.

Determining the extent of a State's ECS is not simply a matter of measuring a specified distance from its shore. To determine whether a State meets the criteria in the Convention, it must collect data that describe the depth, shape, and geophysical characteristics of the seabed and sub-sea floor. That data is then analyzed in order to determine a set of coordinates of the seaward extent of the ECS.

Each of the five States surrounding the Arctic Ocean—Russia, Canada, Norway, Denmark (via Greenland), and the United States – has an ECS. All five States also have ECS outside of the Arctic Ocean, but the Arctic has received a disproportionate amount of public attention.

The United States, like the other Arctic States, has made significant progress in determining its ECS. All of the necessary data collection to delineate the U.S. ECS in the Arctic Ocean has been completed through tremendous efforts by the U.S. Coast Guard, the National Oceanic and Atmospheric Administration (NOAA), the United States Geological Survey (USGS), and the Department of State. Nine successful cruises were completed in the Arctic Ocean over 12 years, and four of those missions were jointly conducted with Canada.

Last year the Office of Ocean and Polar Affairs at the Department of State established the ECS Project Office at a NOAA facility in Boulder, Colorado. This office is dedicated to completing the data analysis and documentation necessary to establish the limits of the U.S. ECS in the Arctic and for other U.S. ECS areas, such as the Bering Sea, Atlantic Ocean, and the Gulf of Mexico.

While the United States has a significant amount of ECS in the Arctic, as a non-party to the Law of the Sea Convention, the U.S. is at a disadvantage relative to the other Arctic Ocean coastal States. Those States are parties to the Convention, and are well along the path to obtaining legal certainty and international recognition of their Arctic ECS.

Becoming a Party to the Law of the Sea Convention would help the United States maximize international recognition and legal certainty regarding the outer limits of the U.S. continental shelf, including off the coast of Alaska, where our ECS is likely to extend out to more than 600 nautical miles. U.S. accession is a matter of geostrategic importance in the Arctic (where all other Arctic nations, including Russia, are Parties). The Administration remains committed to acceding to the LOS Convention.

Overlapping continental shelves are inevitable in the Arctic Ocean, as elsewhere. Where boundaries have not yet been concluded, we expect that neighboring States will continue to work together on a bilateral basis to reach agreement on what are often complex and time-consuming processes. It is important to keep in mind this is not a question of first-come, first-served.

We have two maritime boundaries in the Arctic, one with Russia and one with Canada. The United States and the Soviet Union signed a maritime boundary agreement in 1990. Although only provisionally in force, Russia has respected this maritime boundary, and has not defined an ECS on the U.S. side of the boundary. The United States is taking the same approach.

Canada and the United States have yet to agree to a maritime boundary that would divide our overlapping ECS. We have made this a key objective for implementation of our National Strategy for the Arctic Region, and this will be an important future effort. Nonetheless, we have managed to work together to collect mutually beneficial data necessary to define our respective ECS areas.

Resource Exploration

Diminishing Arctic Ocean sea ice is unlocking access to significant energy resources and other potentially lucrative natural resources. Estimates of technically recoverable conventional oil and gas resources north of the Arctic Circle include 13 percent of the world's undiscovered oil, 30 percent of the world's undiscovered gas, and 20 percent of the world's natural gas liquids deposits, as well as vast quantities of mineral resources, including rare earth elements, iron ore, and nickel. That said, the Arctic is now and will remain long into the future an extremely challenging environment in which to operate.

The Department of State aims to promote good governance and environmentally responsible development of all energy resources – oil and gas production, as well as clean, renewable energy – with an emphasis on consistency among Arctic States and environmental sustainability. We are committed to implementing international agreements to reduce the risk of marine oil pollution; conducting international joint oil spill response exercises; and increasing global capabilities for preparedness and response to oil pollution incidents in the Arctic. Collaborating closely with domestic agencies, the Department of State aims to work with stakeholders, industry, and the other Arctic States to understand the energy resource base, develop and implement best practices, and share knowledge and experience.

While we acknowledge the importance of fossil fuels to powering Arctic development, affordable renewable energy technologies are also enormously important for the region. Development of renewable energy resources including solar, wind, geothermal, and tidal, has accelerated in recent years. Renewable energy already enjoys a global cost-competitive advantage over diesel fuel. Today, wind and solar technologies have a comparative cost advantage over fossil fuels in the power sector in the mid-West U.S. Midwest and in Europe. As capacity factors for renewable technologies increase, and costs continue to decline for these technologies, more and more regions and energy end-use sectors will transition to higher proportions of renewable energy. There are many dedicated people across the Arctic, including in Alaska, working to make these technologies work effectively for healthier and more sustainable energy generation in the Arctic. We will continue to work with stakeholders to promote a regional focus on addressing barriers to renewable energy development, with the goal of improving the quality of life in Arctic communities and addressing climate impacts.

Conclusion

The Arctic Region has enormous and growing geostrategic, economic, environmental, and national security implications for the United States. We are at a pivotal point in history as the Arctic is rapidly changing and we have assumed the Chairmanship of the Arctic Council. We look forward to advancing national priorities, pursuing responsible stewardship, and strengthening international cooperation in the Arctic Council and other fora.

Again, thank you for the opportunity to testify today. I look forward to your

questions.